# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:6456
ANSWERED ON:09.05.2002
RECOMMENDATIONS OF NITISH SENGUPTA COMMITTEE
MINATI SEN

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether Nitish Sengupta Committee recommended merger of IBP with Bharat Petroleum Corporation Limited during 1998;

(b) if so, the present status of the recommendations of the Committee; and (

(c) the reasons for not following the Committee`s recommendation in toto ?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS
PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (c ) : Nitish Sengupta Committee had recommended, inter-alia, that Government should disinvest 33.6% share holding of IBP to a strategic partner i.e. Bharat Petroleum Corporation Limited (BPCL) directly as permissible under the Securities Exchange Board of India (SEBI) take over guidelines.However, IBP Co. Limited was one of the companies referred to the Disinvestment Commission in September, 1996 and the Commission in its 5th report presented to Government, recommended that Government should disinvest 33.6% of the Company`s equity out of Government holding of 59.6 % in IBP through strategic sale.The recommendation of Sengupta Committee and the report of Disinvestment Commission were examined by the Government and a final decision was taken to retain 26% of its equity in IBP and the balance to be disinvested to a strategic partner.